

DEPARTMENT OF DEFENSE WAGE COMMITTEE
(Appropriated/Nonappropriated Fund)
Summary of 2417th Meeting – December 20, 2016

Purpose of Meeting: To consider the following:

NONAPPROPRIATED FUND

1. Sacramento, California (Survey Specifications)
2. Dona Ana, New Mexico (Survey Specifications)

APPROPRIATED FUND

3. Bloomington-Bedford-Washington, Indiana (Full Scale)
4. Indianapolis, Indiana (Full Scale)
5. Fort Wayne-Marion, Indiana (Full Scale)
6. Kansas City, Missouri (Full Scale)
7. Southern Missouri (Full Scale)
8. Southwestern Michigan (Wage Change)
9. Philadelphia, Pennsylvania (Wage Change)

ADDED ITEMS

APPROPRIATED FUND

10. Fort Wayne-Marion, Indiana (Addendum to Survey Specifications)
11. Fresno, California (Survey Specifications)

The meeting was closed to the public on the basis of a determination under section 10(d) of the Federal Advisory Committee Act (Public Law 92-463) that the closing is necessary because matters considered relate to the internal personnel rules and practices of the Department of Defense and the wage survey data considered by the Committee in the development of FWS schedule recommendations have been obtained from private industry with the guarantee of confidentiality (5 USC 552b).

Chairman: Mr. James Davey

DFO: Mr. James Brady

Members: Mr. Gary Buck

Ms. Rosemary Meriwether

Mr. Jason Munro

Chief, Wage & Salary Division

(Army)

(Navy)

(Air Force)

Ms. Deanna Rightmyer (DLA)

Absent

Mr. Dennis Phelps

(AFGE)

(IBEW)

Technical Staff:

Mr. William Becht

Ms. Rebecca Chaves

Ms. Karen Kurian

NAF Presenter

NAF Recorder

NAF Observer

Mr. Brian Bauer

Ms. Stacy Nelson

Ms. Kieu Nguyen

AF Presenter

AF Recorder

AF Observer

Proceedings: The meeting convened at 10:00 a.m. at 4800 Mark Center Drive, Room 05K25, Alexandria, Virginia.

NONAPPROPRIATED FUND

(1) Sacramento, California (Survey Specifications) (Becht)

The survey specifications were distributed and reviewed. The Committee adopted the survey specifications by consensus.

(2) Dona Ana, New Mexico (Survey Specifications) (Becht)

The survey specifications were distributed and reviewed. The Committee adopted the survey specifications by consensus.

APPROPRIATED FUND

(3) Bloomington-Bedford-Washington, Indiana (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The area qualifies for an ammunition dominant industry. There is no suitable reference area.

The Staff-proposed payline is the Frequency (All Data) line. Data-Fit by Job Average: Seven of the 15 survey job averages with 317 samples representing 38.75% of the data fit the unit line, and the remaining 8 with 501 samples representing 61.25% of the data fit the frequency line.

Data-Fit by Grade Average: Three of the 8 grade weighted averages with 213 samples representing 3 jobs and 26.04% of the data fit the unit line, and the remaining 5 with 605 samples representing 12 jobs and 73.96% of the data fit the frequency line. The trend lines cross between grades 8 and 9. The Staff recommended the frequency line as the best-fit wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.00 per hour at grade 1 to \$0.32 per hour at grade 15 with an average of \$0.1593 per hour, or 0.69%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$0.8666 per hour, or 3.89%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Indianapolis-Carmel-Muncie, IN GS locality restricted schedule to the new unrestricted schedule averages \$0.8666 per hour, or 3.89%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Buck moved, seconded by Ms. Meriwether, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(4) Indianapolis, Indiana (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Mid-Point (All Data) line. Data-Fit by Job Average: Twelve of the 21 survey job averages with 2,245 samples representing 36.61% of the data fit the unit line, and the remaining 9 with 3,888 samples representing 63.39% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 9 grade weighted averages with 2,127 samples representing 13 jobs and 34.68% of the data fit the unit line, and the remaining 4 with 4,006

samples representing 8 jobs and 65.32% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the mid-point line as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.12 per hour at grade 1 to \$0.31 per hour at grade 15 with an average of \$0.2159 per hour, or 0.87%. The increase from the present Indianapolis-Carmel-Muncie, IN GS locality restricted schedule to the new unrestricted schedule averages \$0.4719 per hour, or 1.93%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$0.5006 per hour, or 2.05%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Buck moved, seconded by Ms. Rightmyer, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(5) Fort Wayne-Marion, Indiana (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The area qualifies for an aircraft dominant industry and the reference area is Indianapolis, Indiana.

The Staff-proposed payline, using the inside-the-area data only is the Frequency (All Data) line. Data-Fit by Job Average: Twelve of the 18 survey job averages with 1,592 samples representing 48.14% of the data fit the unit line, and the remaining 6 with 1,715 samples representing 51.86% of the data fit the frequency line. Data-Fit by Grade Average: Three of the 8 grade weighted averages with 1,155 samples representing 9 jobs and 34.93% of the data fit the unit line, and the remaining 5 with 2,152 samples representing 9 jobs and 65.07% of the data fit the frequency line. The trend lines cross between grades 8 and 9. The Staff recommended the frequency line as the most representative wage line.

The Staff-proposed payline, including reference area data, is the Frequency (All Data) line. Data-Fit by Job Average: Nine of the 20 survey job averages with 1,052 samples representing 30.64% of the data fit the unit line, and the remaining 11 with 2,381 samples representing 69.36% of the data fit the frequency line. Data-Fit by Grade Average: Two of the 9 grade weighted averages with 921 samples representing 8 jobs and 26.83% of the data fit the unit line, and the remaining 7 with 2,512 samples representing 12 jobs and 73.17% of the data fit the frequency line. The trend lines cross between grades 7 and 8. The Staff recommended the frequency line as the best-fit wage line.

Application of the formula for adding aircraft industry data resulted in a Staff-proposed payline derived as follows: the rate for grades 1 and 2 are from the within-area payline, the rate for grade 3 is from the reference area, and the rates for grades 4 through 15 are from the combined area line, which included data from the Indianapolis, Indiana aircraft establishments.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.03 per hour at grade 1 to \$0.86 per hour at grade 15 with an average of \$0.4773 per hour, or 2.01%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$1.2966 per hour, or 5.68%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Indianapolis-Carmel-Muncie, IN GS

locality restricted schedule to the new unrestricted schedule averages \$1.2566 per hour, or 5.49%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Buck moved, seconded by Mr. Munro, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(6) Kansas City, Missouri (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Mid-Point (All Data) line. Data-Fit by Job Average: Thirteen of the 24 survey job averages with 3,834 samples representing 52.51% of the data fit the unit line, and the remaining 11 with 3,467 samples representing 47.49% of the data fit the frequency line. Data-Fit by Grade Average: Seven of the 11 grade weighted averages with 2,270 samples representing 11 jobs and 31.09% of the data fit the unit line, and the remaining 4 with 5,031 samples representing 13 jobs and 68.91% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the mid-point as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.00 per hour at grade 1 to \$1.17 per hour at grade 15 with an average of \$0.5866 per hour, or 2.25%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$1.8840 per hour, or 7.63%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present Kansas City-Overland Park-Kansas City, MO-KS GS locality restricted schedule to the new unrestricted schedule averages \$1.8786 per hour, or 7.61%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Buck moved, seconded by Mr. Munro, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(7) Southern Missouri (Full Scale) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed payline is the Mid-Point (All Data) line. Data-Fit by Job Average: Twelve of the 17 survey job averages with 1,991 samples representing 58.01% of the data fit the unit line, and the remaining 5 with 1,441 samples representing 41.99% of the data fit the frequency line. Data-Fit by Grade Average: Five of the 8 grade weighted averages with 1,223 samples representing 6 jobs and 35.64% of the data fit the unit line, and the remaining 3 with 2,209 samples representing 11 jobs and 64.36% of the data fit the frequency line. The trend lines do not cross. The Staff recommended the mid-point as the most representative wage line.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.25 per hour at grade 1 to \$0.40 per hour at grade 15 with an average of \$0.3233 per hour, or 1.60%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted

schedule averages \$1.0386 per hour, or 5.35%. This is the new average schedule lag prior to any FY 2017 pay increase.

MOTION: Mr. Buck moved, seconded by Ms. Rightmyer, that the Staff-proposed line be recommended for adoption.

VOTE: The motion passed by unanimous vote.

(8) Southwestern Michigan (Wage Change) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.23 per hour at grade 1 to \$0.31 per hour at grade 15 with an average of \$0.2733 per hour, or 1.20%. The increase from the present Rest of U.S. GS locality restricted schedule to the new unrestricted schedule averages \$0.2626 per hour, or 1.15%. This is the new average schedule lag prior to any FY 2017 pay increase.

The Staff-proposed line was adopted by consensus.

(9) Philadelphia, Pennsylvania (Wage Change) (Bauer)

Survey exhibits were distributed and reviewed. Mr. Bauer provided a summary of the survey results.

The Staff-proposed unrestricted schedule provides adjustments ranging from \$0.18 per hour at grade 1 to \$0.66 per hour at grade 15 with an average of \$0.4200 per hour, or 1.68%. The increase from the present Philadelphia-Reading-Camden, PA-NJ-DE-MD GS locality restricted schedule to the new unrestricted schedule averages \$1.8353 per hour, or 7.82%. This is the new average schedule lag prior to any FY 2017 pay increase. The increase from the present New York-Newark, NY-NJ-CT-PA GS locality restricted schedule to the new unrestricted schedule averages \$1.2673 per hour, or 5.27%. This is the new average schedule lag prior to any FY 2017 pay increase.

The Staff-proposed line was adopted by consensus.

ADDED ITEMS:

APPROPRIATED FUND

(10) Fort Wayne-Marion, Indiana (Addendum to Survey Specifications) (Bauer)

The proposed addendum to the survey specifications was distributed and reviewed. Indianapolis, Indiana is determined to be the only contiguous wage area with both adequate aircraft industry and data.

The Committee adopted the addendum as presented and by consensus.

(11) Fresno, California (Survey Specifications) (Bauer)

The proposed survey specifications were distributed and reviewed. There were no significant changes to the proposed survey specifications from 2015.

The Committee adopted the survey specifications as presented and by consensus.

The meeting adjourned at 10:30 a.m.



James Davey
Chairman
DoD Wage Committee